

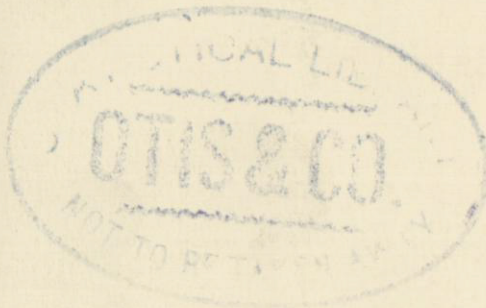
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# HART SCHAFFNER & MARX



JAN 26 1925

*Fourteenth Annual Report*  
*November 30, 1924*



# THE HISTORY OF THE

REPUBLIC OF THE UNITED STATES

The history of the Republic of the United States is a story of the growth of a great nation from a small colony of English settlers. The first settlers came to the New World in search of a better life, and they found it in the freedom and opportunity of the American continent. They built a nation that has become a model of democracy and progress to the rest of the world.

The story of the United States is a story of the struggle for freedom and the pursuit of the American dream. It is a story of the brave men and women who have fought for the principles of liberty and justice for all. It is a story of the great achievements of the American people, from the discovery of the continent to the present day.

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**HART SCHAFFNER & MARX**  
CHICAGO NEW YORK

New York, January 26, 1925

To the Stockholders

The Board of Directors herewith submits to you the financial statement of the company for the fiscal year ending November 30, 1924, together with the report of Messrs. Price, Waterhouse and Company

The outstanding feature of the statement is the financial strength of the company. There is no indebtedness for borrowed money, liabilities being limited to accrued wages, taxes, goods in transit and current bills. The amount of cash on hand is nearly four times the total of liabilities. Inventories are at the lowest point in several years. Collections throughout the year were good, averaging slightly better than in 1923, despite some drawbacks to retail trade. The company is in a strong position for a forward movement and able to take advantage of trade opportunities

During the deflation period following the war it was the policy to set aside special provisions against the unusual risks then existing in connection with the large inventories and receivables. These risks have now been minimized with the return to more stable market conditions and with the reduction of inventories and receivables. We have carefully reviewed the reserves of this character and after consultation with Messrs. Price, Waterhouse and Company the sum of \$825,000 being no longer required for the purposes for which it was originally set aside, has now been restored to surplus account

In view of ample cash resources, the Directors at their annual meeting held on January 28, 1924, voted to retire all outstanding preferred stock consisting of 14,233 shares at the redemption price of \$120 per share plus accrued dividends. The retirement was completed on April 1, 1924. The stockholders will be asked at their coming annual meeting to ratify the action of the Directors. This retirement of preferred shares leaves the ownership of the business in the hands of the common stockholders

Employees of the company have been encouraged to acquire common stock and at the present time a substantial and gratifying number of shares are held outright by employees or are subject to purchase contracts

Respectfully submitted

HARRY HART, President

# BALANCE SHEET—M

## Assets

### Current Assets

Inventories of materials and finished and partly finished merchandise on hand and in transit, at cost or market, whichever is lower, less reserve	\$3,416,100.86	
Accounts, and bills receivable, less reserves	5,425,850.35	
Sundry accounts	31,586.68	
Cash in banks and on hand	4,667,109.07	
Prepaid insurance, taxes, etc.	<u>41,455.62</u>	\$13,582,102.58

### Good Will, Trade Names and Trade Marks

	\$15,000,000.00	
Less—Amount written off in 1920	<u>5,000,000.00</u>	10,000,000.00

### Shop Equipment and Fixtures, including Office Furniture

	1,278,452.47	
Less—Depreciation Reserve	<u>746,538.36</u>	531,914.11

### Investments

583,000.00

### Amounts due from employees for pur- chase of Company's capital stock

273,515.37
<u>\$24,970,532.06</u>



NOVEMBER 30, 1924

*Liabilities*

*Current Liabilities*

Trade accounts payable	\$143,673.86	
Liability for goods in transit	208,988.07	
Accrued pay rolls, etc.	429,058.11	
Federal and other taxes payable in 1925	<u>442,671.03</u>	\$1,224,391.07

*Capital Stock*

Common Stock—

Authorized and issued 150,000 shares of \$100.00 each	15,000,000.00
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<i>Reserve for contingencies</i>	1,750,000.00
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<i>Surplus, per accompanying statement</i>	<u>6,996,140.99</u>
	<u><u>\$24,970,532.06</u></u>

## SURPLUS AND INCOME ACCOUNT

FOR THE FISCAL YEAR ENDING NOVEMBER 30, 1924

### *Net Profits for Year*

After deducting manufacturing, marketing and administrative expenses, provisions for depreciation of equipment, doubtful accounts and federal taxes		\$2,041,383.44
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#### *Add—*

Surplus at Dec. 1, 1923	\$5,333,122.20	
Special reserves against inventories and receivables, provided in prior years, now restored to surplus	<u>825,000.00</u>	<u>6,158,122.20</u>
		\$8,199,505.64

#### *Deduct—*

Dividends paid		
Preferred stock—7%	\$ 21,286.30	
Common stock—6%	900,000.00	
Premiums on preferred stock purchased	<u>282,078.35</u>	<u>\$1,203,364.65</u>

### *Unappropriated Surplus*

At November 30, 1924	<u><u>\$6,996,140.99</u></u>
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## *Certificate of Accountants*

To the Stockholders of  
Hart Schaffner & Marx

We have examined the books and accounts of Hart Schaffner & Marx for the fiscal year ending November 30, 1924, and certify that the foregoing Balance Sheet and Surplus and Income Account are correctly drawn up therefrom

The merchandise and materials on hand and in transit, as shown by inventories certified by the responsible officials, are stated in the balance sheet at cost or market, whichever is lower, less reserve. Liberal provisions have been made for bad and doubtful accounts receivable, discounts and for all ascertained liabilities. The cash and bank balances have been verified by actual count or by certificates from depositaries.

WE CERTIFY that the Balance Sheet and relative Surplus and Income Account are properly drawn up and, in our opinion, show the true financial position of the Company on November 30, 1924

PRICE, WATERHOUSE & CO.

Chicago, January 15, 1925

